

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ELWOOD E. ) APPEAL NO. 07-A-2127  
AND PATRICIA J. RENNISON from the decision of ) FINAL DECISION  
the Board of Equalization of Ada County for tax year ) AND ORDER  
2007. )

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing September 13, 2007, in Boise, Idaho before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellants Elwood E. and Patricia J. Rennison appeared. Chief Deputy Assessor Tim Tallman and Deputy Assessor Dan Curtis appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. R5299900120.

**The issue on appeal is the market value of residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$139,000, and the improvements' valuation is \$104,400, totaling \$243,400. The latter numbers reflect a BOE adjustment to subject's 2007 assessed value. Appellants request the land value be reduced to \$58,583, and the improvements' value remain at \$104,400, totaling \$162,983.

The subject property is a .95-acre lot improved with a 2,444 square foot residence. The home is a split-entry style, built in 1971. A gravel driveway leads from the street to the residence. The public street has no curbs or gutters. The property has a private well and septic system.

Appellants arrived at the lot value claim after comparison of the assessed values of

nearby 3-acre lots. The assessed values of the three acre lots was divided by 3 to arrive at the indicated value for one acre, then prorated to reflect .95 acres, the subject lot size. The eight, 3-acre lots were each assessed for \$185,000. Appellants did other assessed-value comparisons, and found particularly relative “% Increase” measurements to support the contention of over-assessment.

Respondent presented an analysis of four (4) comparable sales from 2005, two of which were located in subject subdivision. There were no comparable sales found in subject subdivision or in the immediate area during 2006. The sales information was time-adjusted based on a paired-sales analysis of improved residential property. The time adjustment analysis was included in Respondent’s exhibit materials. Three of the sales included split-entry residences like subject. All of the lot sizes were near one acre. The assessor analyzed the four sales utilizing a sales comparison approach. The adjusted prices follow: Comparable 1 - \$276,100, Comparable 2 - \$252,630, Comparable 3 - \$267,600 and Comparable 4 - \$299,500. Comparable No. 3, a nearby property sale with a split-entry residence, had the fewest adjustments and was opined to be the most comparable and indicative of subject’s market value.

Appellants were concerned about some differences between the subject and the sales, such as driveway surfaces. Appellants did not offer any alternative sales information or attempt to quantify any different adjustments to the County’s comparable sales.

The county noted a number of remodels or additions were made to properties within the subject subdivision during 2006, indicative of a healthy neighborhood. Respondent also presented an analysis of land sales with different acreage sizes. This sale information indicated the market placed a lessor contributory value (value rate) on additional acres. The evidence was offered in response to Appellants’ case that three acres were worth the same rate per acre as

one acre.

## CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Market value for assessment purposes is defined in Idaho Code § 63-201(10) as follows:

. . . the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

According to Idaho Code §§ 63-205(1) and 63-301(1), the assessed value of the subject property must reflect its true market value on January 1, 2007. Section 63-205 provides in pertinent part:

All real, personal and operating property subject to property taxation must be assessed annually at market value . . . as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied . . . .

The market value of property like subject, an older improved residential property, is typically best inferred or measured from a consideration of recent, proximate comparable sales. Only the County presented a value case that incorporated an analysis of comparable sale information. The similarity (comparability) of the sales was in the Board's judgment very high and was determined to support subject's assessed value. The older 2005 sale prices were time-adjusted to bring them current with the 2007 tax year assessment date. Sales information with supported the time adjustment was presented into evidence and not refuted.

Appellants analyzed assessed values. The assessor applied a recognized appraisal

approach to value using comparable sale properties. Assessed values of properties are not considered good evidence of market value. Further, Appellants' comparison of subject's one-acre lot assessment to neighboring three-acre lot assessments was not found to be convincing. The record revealed nearby one-acre lots were assessed the same or very near the valuation of the subject lot.

The value attributed to the improvements was not disputed. No error in that regard is apparent. For the reasons expressed above, the Board will affirm the Ada County Board of Equalization decision regarding subject market value.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

November 2, 2007